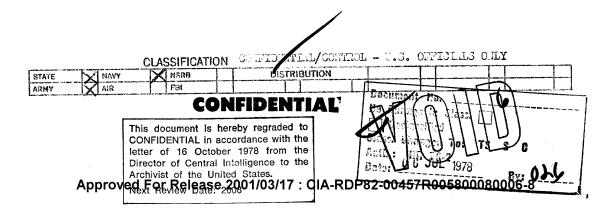
AL/ CONTROL - J.J. D. PATROLING COLY For Release 2001/03/117CECIAERDP82-00457R005800 INFORMATION REPORT CD NO. 25X1A DATE DISTR. 18 SEP 50 CHANTEY Cost aldem Political Rivalry Botween Tran Van Ly NO. OF PAGES SUBJECT. and Pham Van Giao 25X1A NO. OF ENCLS. PLACE ACQUIRED 25X1X SUPPLEMENT TO DATE OF REPORT NO. INFO

- Tran Van Ly*is an important member of the Catholic Party of Viet Ham. A close associate of Hgo Dinh Dien, Ly is leader of the party in Central Viet Ham while Dien is in Saigon. Tran Van Ly is also a member of the Front d'Union Hationale, the strongest political party in Central Viet Ham. This party is composed of almost all the former Mandarins and prominent Vietnamese of Hue. Hembers of the party include Le Thanh Canh, chief of the Bao Dai cabinet in North Viet Ham, and Hguyen Khoa Toan, formerly Himister of Hational Education and Minister of Information. Toan has recently been appointed Vietnamese Embassador to Thailand.
- 2. Tran Van Ly was president of the Administrative Committee of Nue from 1947 to June 1943, when Pham Van Giao returned to Indochina from Hong Kong. Although an energetic and patriotic governor, Ly lacked administrative ability, and his antagonism of French officials created difficulties for the Vietnamese recidents of his province.
- 3. Then Pham Van Gico returned to become Governor of Central Viet Man, Ly and his group refused to cooperate with Giao. In spite of the discontent of the population and of the various political factions, Giao succeeded in winning over or buying the support of the most important political figures in Central Viet Man. Giao also has the support of Mguyen Mgoc Le, chief of the army of Central Viet Man, and consequently of the troops themselves. Giao displayed his political adroitness in creating a large and strong army group. Mis success in this undertaking, in which former governors had failed, won him the support of the people.
- 4. In an attempt to remove Giao from power, Tran Van Ly enlisted the help of the Queen Mother in an appeal to Bao Dai. The Queen Mother threatened to leave Mue at once if Bao Dai did not replace Giao with Ly. This plan failed, however, because Giao had the support of the French, as well as some financial hold over Bao Dai. After coming to power, Giao secured a monopoly on the markets of Central Viet Ham through Aguyen Huu Thi. Thi is almost the sole supplier of all products coming into Mue, especially rice and cloth. The profits from this monopoly, amounting to hundreds of millions



A leadure, and divided between Giac and Thi and Sac Jai. Since a Large part of this money has been used to strengthen the treasury of the Lonarchist Party, Bac Dai has had to recomize Giac as a major contributor toward his entern to power.

In order to pacify Tran Van Ly, Bao Dai proposed by for the post of Hinister of Finorities in August 1969. By naturally refused the post, recognizing the political strategy behind the nomination. Ly will become Governor of Conral Vict Han only if Ciao is appointed to a higher post. The rivalry between the two is such that if by were to receive a more important position, the would immediately leave the country for France, where his wife and some are living. Giao has converted most of his money into france, and as a result, most of his property is also in France.

* Johnson is a recent report on the opinions of Vr.m. Var. By regarding the political situation in Viet Ram.

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